

SAPTCO Articles of Association

(Saudi Public Joint-Stock Company)

Chapter (1):

Incorporation of the Company

Article (1): Incorporation

The company was incorporated according to the Provisions of the Companies Act and its Regulations and the current law of the Saudi joint-stock companies according to the following provisions:

Article (2): Company Name

Saudi Public Transport Company (SAPTCO) (Saudi public joint-stock company).

Article (3): Company Purposes

Transporting passengers by buses on the public roads network in the Kingdom within cities and in between and outside the Kingdom. The company also is interested in transporting parcels, goods, supplies, school transport, female teachers transport, car rental and operation, private taxis and trucks, operating and maintaining metro and trains, transporting sands and gravel, organizing tourism trips in the Kingdom, Hajj and Umrah services inside and outside the Kingdom, providing supportive and logistic services and technical training in the field of transport and importation of spare parts and chemical car cleaners. For these purposes, the following lies within its sphere of competence:

1. Purchasing and renting lands and buildings for the purpose of the company's activity.
2. Setting up warehouses, workshops, stores, maintenance centers, stations, stops and rests on main roads between cities and all necessary buildings for its businesses and management.
3. Owning and purchasing buses, equipment, machines and fixtures needed for the utility.

4. At its discretion, the company has the right to possess all necessary moveable and immovable property to execute its purposes.
5. Undertaking all necessary purposes or that is supplementary to the previous ones.
6. Seeking assistance of the national and foreign experiences for practicing its businesses.
7. The company may purchase and sell lands and invest in real-estates for the company's benefit.

The company practices its activities pursuant to the applicable laws and after obtaining the necessary licenses from the competent authorities, if any.

Article (4): Corporate Participation and Ownership:

The company may incorporate a company on its own (limited-liability or closed joint-stock) provided that the capital shall not be less than (5) million Saudi Riyal. It also may possess shares and stocks of other existing companies, merge with or purchase them, or make it an affiliate. It may participate with others in incorporating joint-stock or limited liability companies in and out after fulfilling what is required by applicable laws and instructions in this regard. It may also dispose of these shares or stocks provided that it shall not mediate in their trading.

Article (5): Headquarters

The headquarters of the company shall be located in Riyadh city. The management of the company may establish other branches, offices, agents inside or outside the Kingdom if needed.

Article (6): Term of the Company

The term of the company shall be ninety–nine years according to the Islamic lunar calendar starting from the date of its registration in the commercial register. The term may always be extended by a resolution issued by the Extraordinary General Assembly one year before its termination.

Chapter (2):
Capital & Shares

Article (7): The Capital

The capital of the company was determined to be one billion (1,000,000,000) Saudi Riyal. Then, on 7/4/1428H corresponding to 24/4/2007G the capital was increased to one billion, two hundred fifty million Saudi Riyal divided into one hundred twenty-five million (125,000,000) shares.

Article (8): Subscription to Shares

Promoters subscribed in the company's capital which is one billion Saudi Riyal to a number of ten million shares at a percentage of 47.32% of shares and amount of four million seven hundred thirty two thousand (4,732,000) cash shares distributed as follows:

1. Public Investment Fund at a percentage of 20% of the capital shares with a number of two million shares in amount of two hundred million (200) Saudi Riyal.
2. The General Organization for Social Insurance (GOSI) at a percentage of 10% of the capitals' shares with a number of one million shares in amount of one hundred million Saudi Riyal.
3. Promoters from the private sector at a ratio of 17.32% of the capital shares. The promoters has paid a percentage of 50% of their shares with the National Commercial Bank.

The rest of shares with the number of five million two hundred sixty eight thousand (5,268,000) shares were offered for public subscription among Saudi citizens only within thirty days from the date of publishing the Royal Decree which permitted the company incorporation. The subscriber shall pay during subscription a percentage of 50% of the share nominal value in the name of the company under incorporation

to the concerned banks. The rest of shares' value shall be paid on deadlines specified by the board of directors.

4. The capital has been increased from one billion (1,000,000,000) Saudi Riyal to one billion two hundred fifty million Saudi Riyal (1,250,000,000) divided to one hundred twenty five million shares (125,000,000) by granting free shares.

Article (9): Preferred Shares

The company Extraordinary General Assembly may, according to the rules laid by the competent authority, issue preferred shares, decide to purchase them, transfer ordinary shares to preferred ones or the other way around. The preferred shares shall not give the shareholders the right to vote in the General Assemblies. These shares grant their holders the right to obtain a higher ratio of the company's net profits than holders of ordinary shares after retaining the statutory reserve pursuant to the provisions of the Islamic Law.

Article (10): Selling Unpaid Shares

The shareholder shall be committed to pay the share's value on the deadlines. If they failed to pay on the due date, the board of directors may, after being informed via the e-mail or by a registered letter, sell the share in the stock market according to the rules set by the competent authority.

The company gets paid from the sale proceeds the sums owed to it and refund the remaining amount to the shareholder. If the sale proceeds are not sufficient to fulfill these sums, the company may get the remaining amount from all money of the shareholder. However, the shareholder who defaulted until the sale day may pay the due amount plus the expenses paid by the company in this regard.

The company shall cancel the sold share according to the provisions of this article and shall give the buyer a new share bearing the number of the cancelled one. It shall mark in the share register the occurrence of the sale process and shall mention the name of the new owner.

Article (11): Issuance of Shares

In case of increasing the company's capital, the shares may not be issued under its nominal value, but they may be issued above this value. In that last case, the difference of value shall be added as a standalone clause within the shareholders rights. Therefore, it may not be distributed as dividends between the shareholders. The share shall not be divisible in face of the company. If a share is possessed by many holders, they shall elect one representative on their behalf in handling the rights related to it. These holders shall be jointly responsible for liabilities arising from the share possession.

Article (12): Trading of Shares

Shares that are subscribed to by the promoters may not be traded except after publishing the financial statements of two fiscal years each of which not less than twelve months from the date of company incorporation. These shares instruments shall be marked to indicate their type, company incorporation date and the period during which they may not be traded. However, during the suspension period, the ownership of shares may be transferred according to the provisions of selling equity from one promoter to another or, in case of his death, from a promoter's heirs to third parties or in case of execution on funds of insolvent or bankrupt shareholder provided that the priority in owning these shares shall be to the other promoters.

The provisions of this article shall apply to what the promoters subscribe to in the event of increasing the capital before the end of the suspension period.

Article (13): Shareholders Register

The company shares shall be traded in compliance with the Capital Market Rules and Regulations.

Article (14): Increase of Capital

1. The Extraordinary General Assembly may determine to increase the company capital based on the Board of Directors recommendations on condition that the capital shall be fully funded unless the unpaid amount belongs to shares issued in exchange for converting debt instruments or financing instruments to shares, and the period specified for conversion is not over.
2. The Extraordinary General Assembly may in all cases, at a capital increase allocate all or numbered issued shares to the company members or to all its subsidiaries or some of them, or to any of that. The shareholders may not exercise the right of priority when the company issues the shares apportioned for staff.
3. At the time of issuance of the decision of the Extraordinary General Assembly agreeing to increase the capital, the shareholder owner shall have priority in subscribing to new shares issued in exchange for cash shares. The shareholder owner shall be informed of their priority through publishing in a daily newspaper or by registered mail regarding the decision of increase of capital and subscription conditions, term, start and end date.

4. The Extraordinary General Assembly may stop the right of priority for shareholders of subscription by increasing the capital in exchange for cash shares or giving priority to non-shareholders in the cases it sees appropriate for the benefit of the company.
5. The shareholder may trade or assign of the right of priority during the period from issuing the decision of the General Assembly to increase the capital until the last day of subscription to the new shares associated with these rights by virtue of the controls set by the competent authority.
6. Subject to paragraph (4) hereof, the new shares shall be divided among holders of priority rights who demanded the subscription by the percentage of the priority rights they own out of the total priority rights resulted from increasing the capital provided that what they get shall not exceed the new shares they demanded. The remaining new shares shall be divided among the holder of priority rights who demanded more than their share by percentage of percentage of the priority rights they own out of the total priority rights resulted from increasing the capital provided that what they get shall not exceed the new shares they demanded. The rest of shares shall be offered to others unless the Extraordinary General Assembly or the Capital Market Law states otherwise.

Article (15): Decrease of Capital

The Extraordinary General Assembly may determine to decrease the capital if it is above the company necessity or if the company suffered losses. In that last case only, the General Assembly may decrease the capital to below the stipulated limit in the article (54) of the Companies Act. The decrease decision shall not be issued except after reciting a special report prepared by the auditor about the compelling reasons, the company's liabilities and about the impact of decrease on these liabilities.

If the capital decrease is due to it exceeds the company's need, the creditors shall be called for expressing their objection within sixty days from the date of publishing the decision of decrease in a daily newspaper which is distributed in the region where the company's main office is located. If one of the creditors objected and submitted their documented to the company on the said date, the company shall either pay the debt if it is due at such time or provide adequate guarantee if the debt is deferred.

Article (16): Shares Purchase

The company may purchase its shares or pledge them according to regulations set by the competent authorities. These shares purchased by the company shall have no votes in the shareholders' assemblies.

Article (17): Debt Securities

Subject to the approval of the competent authorities, the company may, by a decision issued by the Extraordinary General Assembly, issue debt or financing instruments which shall be convertible to shares or instruments whether they were for public offering or otherwise pursuant to the related laws and regulations.

Chapter (3):
Board of Directors

Article (18): Company Management

The company shall be managed by a board of directors which shall be consisted of ten members, four of them represent the government and the chairman shall be from among them. They shall be appointed upon the approval of the Prime Minister based on a suggestion from the Minister of Transport and six members who shall represent the shareholders and shall be elected by the Ordinary General Assembly of Shareholders. The members of board of directors shall be appointed for three years and they may be re-appointed for another term or terms.

Article (19): Board Membership Expiry

The membership of the board of directors shall end with the conclusion of the appointment period, or if the member refuses to attend the board term or is absent for more than three consecutive meetings without an accepted excuse by the Board of Directors. The member shall not be discharged of his membership accountability except after the approval of the General Assembly on that. However, the Ordinary General Assembly, at all times, may isolate all or some of board of directors' members who represent the shareholders without prejudice to the right of the isolated member towards the company to claim compensation if the isolation happened for an unacceptable reason or at inappropriate time. The Board of Directors' member may resign on condition that this take place at an appropriate time, otherwise shall be responsible for the damages that result from resignation.

Article (20): Vacant Position in the Board

If a position of a member of the board of directors who represent the shareholders become vacant, the board may then appoint a provisional member in that vacant position provided that they shall be of eligible experience. This nomination shall be presented to the first general assembly. As for government representative inside the board, the Minister of Transport shall nominate another member appointed by the board in the vacant position. The Ministry and the Capital Market Authority shall be informed thereby within five business days from the appointment date. The appointment shall be presented to the Ordinary General Assembly during its first meeting and the new member shall complete the term of their predecessor. If the number of the board members is below five, the remaining members shall convene the general assembly within sixty days in order to elect the needed number of members representing the shareholders if the shortage is from among them.

Article (21): The Board Authority

1. Subject to the competence of the General Assembly, the board of directors shall have the extensive authority in managing the company and conducting its affairs and disposing of its assets and property and real-estates. The board of directors shall have the right to purchase and accept the same, pay the price, mortgage, redeem mortgage, sell, register, receive the price and deliver the priced item. The minutes of the board of directors shall contain the rationale for its decision to dispose of the assets, property and real estate of the company taking into consideration the following conditions:
 - a. The board shall specify the reasons and rationale in the decision of sale.
 - b. The sale price shall be close to the similar price

- c. The sale price shall be paid at the time of selling except in cases of necessity and with sufficient guarantees.
 - d. This act shall not result in the suspension of some of company's activities or assuming the company other liabilities.
- 2. The board of directors may contract for loans with the governmental financial institutions and funds no matter how long it lasts. It may contract for commercial loans whose terms do not exceed the end of company's term. For that, it may issue negotiable debt or financing instruments according to the provisions of Article 122 of the Companies Act and the Capital Market Law, observing the following conditions:
 - a. The decision of the board of directors shall specify the uses of the loan and the way to pay it off.
 - b. The board of directors shall observe in the loan conditions and the guarantees provided not to do any harm to the company, the shareholders and the general guarantees of creditors.
- 3. The board of directors shall have the right of reconciliation, assignment, contracting, commitment and associating with the name and on behalf of the company. It may assume all works and acts that would achieve the company's purposes.
- 4. The board of directors may authorize, within the limits of its competence, on or more of its members or from others to take specific action or doing specific work or works and the board may authorize whoever it sees within its competence and powers.
- 5. The board of directors, at its discretion, may discharge the company's debtors of their liabilities according to what achieve its interest provided that the minutes of the board

of directors shall contain these decisions and rationale taking into account the following conditions:

- a. The discharge shall be after one year from arising of the debt.
- b. The discharge shall be for a specific amount as a maximum each year for one debtor.
- c. The discharge shall be a right of the board's rights and it may authorize in that regard.

Article (22): Board Members Remuneration

A lump sum shall be distributed as an annual bonus to the board members provided that this bonus shall be proportional to the number of sessions attended by the member and also a lump sum for each session within the limits stipulated by the Companies Act & Regulations pursuant to the provisions of article (76) of the Companies Act and the regulations set by the competent authority. The report of the board submitted to the Ordinary General Assembly shall include a comprehensive statement of all bonuses and allowances obtained by the board members during the fiscal year in addition to other advantages. It shall also include a statement of what the board members received as employees or administrative staff or what they received in exchange of technical or administrative works or consultations. It shall include also statement of the number of the board sessions and number of sessions attended by each member from the date of General Assembly last meeting.

Article (23): Authority of Chairman, Vice-Chairman, Managing Director and

Secretary

1. The chairman of the company board of directors shall be from among the members appointed by the government. The board shall appoint from among its members the vice-chairman (representing the chairman in case of absence) who may appoint a managing director. It shall not be permissible to combine the position of Chairman with any executive position in the company.
2. The chairman shall represent the company in its relations with others. They shall have the right to sign on behalf of the company. They shall execute the board decisions. The chairman shall have the right to represent the company before committees, judicial bodies of all kinds and degrees, notaries public and also before the governmental bodies, different official departments and authorities inside and outside the Kingdom. They shall have the right to claim, plead, defend and litigate in any suit filed by or against the company. They shall also submit notes and appeals against judgments and decisions, and appeal, rebut, accept or asking to execute these judgments. They may also reconcile, waive the lawsuit, receive and deliver. They may authorize whomever they see suitable for taking legal actions and procedures for undertaking specific work or works. They shall have the right to execute all contracts and transactions within its purposes and collecting company rights and performing the necessary liabilities. They may create, sign, endorse and seize business papers and undertake all banking transactions which are necessary for the company's activity including accounts management, opening and closing banking accounts of all kinds, depositing and transferring from the company accounts inside and outside the Kingdom, check requesting, getting banking facilities and loans, signing investment contracts, cost-plus

contracts, business documents and papers, granting guarantees, credits and warranties on behalf of the company and signing the treasury agreement. The chairman may also sign all contracts and documents related to the use and processing of electronic banking transactions via the internet and self-selling machines or otherwise and also inquiry contracts for all banking operations through the electronic systems provided by the bank. They shall have the right to authorize whoever they see suitable and they may sign on behalf of the company in favor of others (third party).

3. Subject to the powers stipulated in paragraph (2), the board of directors shall define the powers of the Chairman and Managing Director and also they may define the due rewards and advantages besides the rewards determined for the board members.
4. The managing director shall be responsible for following up the implementation of the policy formulated by the board besides other powers and competences entrusted to him by the board of directors from time to time.
5. Subject to the power stipulated in paragraph (2), the board of directors shall appoint a CEO, define its competences, responsibilities and salary.
6. The board of directors shall appoint a Secretary to be chosen from among its members or from others. They shall be responsible for recording the minutes of board meetings and also the decisions issued by these meetings and keeping them along with practicing the other competences entrusted to them by the board of directors and the board shall specify their rewards.

The term of Chairman, Vice-Chairman, Managing Director and Secretary (member of the board) shall not exceed the term of membership of each of them. They may be re-elected, and the board may at any time eliminate all or any of them without prejudice to the right of the removed member to get the compensation if the removal occurred due to illegal

reason or at inappropriate time taking into consideration what is related to the chairman and the governmental members who are appointed or removed by the state.

Article (24): Board Meetings

The board of directors shall be convened four times at least each year. The meeting may be inside the company headquarters or outside based on an invitation from the chairman. The invitation shall be in writing and received by hand or sent by mail, fax or e-mail. The chairman shall call for a meeting whenever two members asked that.

Article (25): Board Meeting Quorum

The board meetings shall not be true until attended by half of members at least, provided that the number of members is no less than three (3) members on their own behalf. The board member may deputize another member to attend the board meetings by virtue of the following controls:

1. The board member may not represent more than one member in attending that meeting.
2. The representation shall be in writing and regarding specific meeting.
3. The representation number shall not exceed two times per year.
4. The acting member may not vote for decisions prohibited by the Law to be voted by the acting members. The board decisions shall be issued by majority of opinions of attending members or those represented. If the votes are equal, the side with which the chairman has voted shall be weighed.

Article (26): Board Deliberations

The deliberations and decisions of the board of directors shall be recorded in minutes signed by the chairman, the attending board members and the Secretary. These minutes shall be recorded in a private register to be signed by the chairman and secretary.

Article (27): Committees

The board of directors shall constitute the appropriate committees for the company businesses and needs and they may authorize these committees to assume the competences appropriate for them. There shall be coordination between these committees in order to decide on matters presented to them promptly.

Chapter (4):

Shareholders' Assemblies

Article (28): Attending Assemblies

Each subscriber whatever their number of shares is, shall have the right to attend the Constituent Assembly. Each shareholder may attend the General Assemblies of Shareholders. They may deputize another person other than the board of directors' members or the company employee to attend the General Assembly.

Article (29): Constituent Assembly

The promoters shall call all the subscribers for holding a constituent assembly within 45 days from the date of Ministry's decision of licensing the company incorporation. The meeting shall not be true unless a number of subscribers representing at least half of the capital attend. If that quorum is incomplete, an invitation shall be sent to hold a second meeting which shall be held 15 days at least after the invitation is sent. In all cases, the second meeting shall be true whatever the number of representing subscribers is.

Article (30): Competences of the Constituent Assembly

The constituent assembly shall be responsible for the matters contained in article (63) of the Companies Act.

Article (31): Competences of Ordinary General Assembly

Excepting the matters entrusted to the Extraordinary General Assembly, the Ordinary General Assembly shall be responsible for all matters related to the company. It shall be held one time at least each year within the six months consequent to the end of company fiscal year. Other ordinary general assemblies may be convened whenever necessary.

Article (32): Competences of Extraordinary General Assembly

The Extraordinary General Assembly shall be competent in modifying the basic law of the company excepting the matters prohibited by general law. It may issue decisions regarding matters within the competence of the Extraordinary General Assembly under the same conditions and situations determined for the Ordinary General Assembly.

Article (33): Call of Assemblies

General Assemblies of Shareholder shall be convened under an invitation from the board of directors. The board of directors may convene the ordinary general assembly if the auditor, Audit Committee or a number of shareholders representing at least 5% of the capital. The auditor may convene the assembly if the board of directors did not convene the assembly within 30 days from the auditor's requesting date. The call for holding of the general assembly and agenda shall be published at the website of the capital market (Tadawul), the company website and at a daily newspaper distributed in the company headquarters 21 days at least before the date determined for convention. However, it may be sufficient to direct the invitation on the addressed date to all shareholders by registered letters. A copy of the invitation and the agenda shall be sent to the Ministry of Commerce and Investment and also to the Capital Market Authority within the period specified for publishing.

Article (34): Assemblies' Attendance Register

The shareholders desiring to attend the general or private assembly shall register their names at the company's headquarters or at the place specified for the meeting before the date specified for the assembly convention.

Article (35): Quorum of the Ordinary General Assembly

The meeting of the Ordinary General Assembly shall not be true unless it is attended by a number of shareholders representing at least quarter (25%) of the capital. If the necessary quorum is incomplete, the second meeting shall be held one hour after the end of the specified duration for holding the first meeting provided that the call for first meeting shall state that there may be another meeting to be hold. In all cases, the second meeting shall be true whatever the number of shares represented therein.

Article (36): Quorum of the Extraordinary General Assembly

The meeting of the Extraordinary General Assembly shall not be true unless it is attended by shareholders representing half (50%) of the capital. If that quorum is incomplete during the meeting, a second meeting shall be held one hour after the duration specified for the first meeting provided that the call for first meeting shall state that there may be another meeting to be hold.

In all cases, the second meeting shall be true if it is attended by a number of shareholders representing at least quarter (25%) of the capital. If the necessary quorum for second meeting is incomplete, a call for third meeting shall be addressed to be held under the same conditions stipulated in article (33) of this law. The third meeting shall be true whatever the number of shares representing therein after getting approval from the competent authority.

Article (37): Voting in Assemblies

The method of voting in the shareholders' assemblies shall be according to the following:

1. Votes shall be counted in the ordinary and extraordinary assemblies based on one vote for each share. The members of board of directors may not take part in the voting of assembly's decisions that are related to their discharge for the duration of their management.
2. The cumulative voting shall be followed in order to choose the board members from among the members who are appointed by the state on the basis of one vote per each share of shareholders who are entitled to attend the general assembly pursuant to what contained in article (28) of these articles.

Article (38): Assemblies' Resolutions

The decisions of the constituent assembly shall be issued by absolute majority of the shares represented therein. The decision of the Ordinary General Assembly shall be issued by absolute majority of the shares represented in the meeting and also the decisions of the Extraordinary General Assembly shall be issued by a two-thirds majority of shares represented in the meeting unless the decision is related to capital increase or decrease or to extend the company's term or dissolution before the expiry of the specified term in the company's articles of association or to its merger with another company. In such cases, the decision shall not be true unless it is issued by a three-quarters majority of shares represented in the meeting.

Article (39): Discussion in Assemblies

Each shareholder may discuss the issues included in assembly's agenda and ask questions related to them to the members of board of directors and the auditor. The board of director or the auditor shall answer the shareholders' questions inasmuch as it does not expose the company's interest to harm. If the shareholder finds the answer to his questions is not convincing, they may refer to the assembly whose decision shall be enforced.

Article (40): Chairmanship of Assemblies and Preparation of Minutes

The General Assemblies of Shareholders shall be headed by the chairman of the board of directors or the vice-chairman in case of their absence or whoever deputized by the board of directors from among its members for that purpose in case the chairman and vice-chairman are absent. The minutes of the assembly meeting shall be edited including the number of attending or represented shareholders and the number of shares in their possession in person or by proxy and number of votes determined for them in addition to the decisions adopted and number of votes for and against and adequate summary of the discussions took place during the meeting. The minutes shall be recorded regularly following each meeting in a special register to be signed by the chairman, secretary and votes collector.

Chapter (5):
Audit Committee

Article (41): Committee Formation

An Audit Committee shall be constituted under a decision from the Ordinary General Assembly. The number of its members shall be no less than three and no more than five members not from among the board of directors' executive members whether from the shareholders or otherwise. The decision shall state the committee's duties, its working controls and rewards of its members.

Article (42): Quorum of the Committee's Meeting

The meeting of the audit committee shall be true if attended by the majority of its members. It shall issue its decision by majority of votes of those attending. In case the votes are equal, the side with which the chairman has voted shall outweigh.

Article (43): Competences of the Committee

The audit committee shall be responsible for controlling the company's businesses. For which purposes, it may have access to the company's records and documents in addition to asking any explanation or statement from the members of board of directors or the executive management. It may ask the board of directors to convene the company general assembly if the board of directors hindered its work or that the company has suffered serious damages or losses.

Article (44): Reports of the Committee

The audit committee shall consider the company's financial statements, reports and notes provided by the auditor and express its opinions regarding them if any. It shall also prepare

reports about its opinion on the adequacy of the company's internal control system and other assumed works within its scope of competence. The board of directors shall keep sufficient copies of this report in the company's headquarters twenty one days at least before the date of the General Assembly convention to provide each desiring shareholder of a copy of it. The report shall be read out during the assembly.

Chapter (6)

The Auditor

Article (45): Appointment of Auditor

The company shall have one (or more) authorized auditors who shall be appointed by the Ordinary General Assembly who shall determine its rewards and work duration. It may re-appoint them provided that the total periods of appointment shall not exceed five consecutive years. If the auditor consumed the specified terms of appointment, they may be re-appointed two years after their expiry. At any time, the assembly may change them without prejudice to their rights to compensation if the change occurred at an inappropriate time or due to illicit grounds.

Article (46): Competences of the Auditor

At any time, the auditor may have access to the company's books, records and other documents. They may also ask for statements and explanations they see necessary. In order to verify the company's assets and liabilities and all that fall within the scope of its work. The chairman shall enable them to practice their duties. If the auditor finds difficulty in that regard, they shall prove that in a report that they shall submit to the board of directors. If the assembly did not facilitate the work of the auditor, they shall ask the board of directors to convene the Ordinary General Assembly to consider that issue. The auditor may not disclose to the shareholders other than the General Assembly or to others the secrets they had with them because of their work.

Chapter (7):

Company Accounts & Profits Distribution

Article (47): The Fiscal Year

The company's fiscal year begins on January 1 and ends at the end of December.

Article (48): Financial Documents

1. At the end of each fiscal year of the company, the board of directors shall prepare the company financial statements and a report about its activity and financial position about the ended fiscal year. This report shall include the method suggested to distribute the profits. The board shall put these documents at disposal of the auditor 45 days at least before the date specified for the General Assembly convention.
2. The company Chairman, CEO and Financial Manager shall sign the documents referred to in paragraph (1) of this article. Copies of these documents shall be kept in the company's headquarters at the disposal of shareholders 21 days at least before the date specified for the General Assembly convention.
3. The chairman shall provide the shareholders with the company financial statements, report of board of directors and report of the auditor unless they are published in a daily newspaper distributed in the company's headquarters. They shall also send a copy of these documents to the Ministry of Commerce and Investment and also the Capital Market Authority 15 days at least before the General Assembly convention.

Article (49): Profits Distribution

The company annual net profits shall be distributed after deducting all general expenses and other costs including the depreciation reserve according to the following:

1. A percentage of 10% of the net profits shall be set aside to form the statutory reserve of the company. The General Assembly may discontinue such setting aside of such reserve once it has reached 30% of the paid capital.
2. The Ordinary General Assembly, based on a suggestion from the board of directors, may set aside a percentage of 5% of the net profits to form a statutory reserve to be allocated for a specific purpose or purposes determined by the board of directors. This setting aside of such reserve may be discontinued if it has reached 25% of the capital.
3. The Ordinary General Assembly, based on a suggestion by the board of directors, may determine to form other reserves to the extent that serves the interest of the company or guarantees a fixed profit distribution as much as possible to the shareholders. The said assembly may deduct sums from the net profits to establish social institutions for the company staff or to help the already existing of these institutions.
4. A percentage of the remaining profits of no less than (5%) of the company's paid capital shall be distributed to the shareholders.
5. After that, the remaining profits may be distributed to the shareholders as an additional profit share or retained in the remaining profits account.

Article (50): Profits Maturity

The shareholder shall be entitled to their profit share by virtue of the General Assembly decision issued in this regard. The decision shall state the due date and date of distribution. The eligibility of profits shall be for shareholders who are registered in the shareholders' registers at the end of the day set for maturity.

Article (51): Distribution of Preferred Shares' Dividends

1. If no dividends were distributed for any financial year, no dividends may be distributed for the consequent years unless after paying the defined percentage pursuant to the provisions of article (114) of the Companies Act to the holders of the preferred shares for that year.
2. If the company failed to pay the specified percentage by virtue of the provision of article (114) of the Companies Act from the profits for three consecutive years, the private assembly of the shareholders which is held by virtue of the provision of article (89) of the Companies Act may decide whether they shall attend the company's General Assembly and participate in the voting or they shall appoint representatives in the board of directors in proportion to the value of their shares in the capital. That shall be until the company is able to pay all priority profits assigned for those shareholders for the previous years.

Article (52): Company's Losses

1. If the losses of the joint-stock company reached half (50%) of the paid capital at any time of the financial year, any official inside the company or the auditor once they know about that shall inform the chairman of the board of directors. The chairman shall

thereby inform the board members immediately. The board of directors shall, within 15 days from the date they knew about that, convene the Extraordinary General Assembly within 45 days from the date they knew about the losses in order to decide whether it shall increase or decrease the company's capital by virtue of the Companies Act's provisions to the extent that the percentage of losses decreases to below half of the paid capital, or shall dissolve the company before term specified in the Companies Act.

2. The company shall be deemed expired by force of the Companies Act if the General Assembly did not meet within the period specified in paragraph 1 of this article, if met but was unable to issue a decision in that regard or if it has decided to increase the capital under the specified conditions in this article but no subscription occurred in each increase of capital within 90 days from the issuance of the assembly's decision of increase.

Chapter (8):
Disputes

Article (53): Claim of Liability

Each shareholder has the right to file a claim of liability as determined for the company against the board of directors' members if they were harmed due to a fault from their side. The shareholder may not file the said claim unless the right of company to file it is still existing. The shareholder shall inform the company of their intention to file the claim.

Chapter (9):

Dissolution and Liquidation of the Company

Article (54): Termination of the Company

Once terminated, the company shall be dissolved and shall retain the legal personality as much as necessary for liquidation. The optional liquidation decision shall be issued by the Extraordinary General Assembly. The decision shall include the appointment of liquidator, identify their powers, fees, limitations of their powers and the necessary period for liquidation. The optional liquidation period shall not exceed five years and may not be extended further except by a court order. The powers of the board of directors shall be terminated upon dissolution. However, the board members shall remain in charge of managing the company. They shall be deemed for others as liquidators until a liquidator is appointed. The shareholders' assemblies shall exist during the liquidation period and their role shall be limited to exercising their competences that do not conflict with the liquidator's competences.

Chapter (10):
Final Provisions

Article (55):

Except as otherwise provided for herein, the Companies Act and its Regulations shall apply.

Article (56):

This articles of association shall be deposited and published according to the provisions of the Companies Act and its Regulations.

Company Name	Articles of Association	Ministry of Commerce and Investment (General Directorate of Companies – Corporate Governance Department)
Saudi Public Transport Company C.R.: (1010024335)	Date: 13/4/1440H Corresponding to 20/12/2018G	<i>(Stamped)</i>

*This copy of the Articles of Association was issued based on the resolution of the Extraordinary General Assembly dated 12/12/2018G.

*Proclaimed